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March 10—23, 1947

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AUSTRIA. *March 10.*—All U.S. military currency withdrawn. (*see Germany.*)

March 13.—Arrival of Trade Minister in Prague. (*see Czechoslovakia.*)

BELGIUM. *March 11.*—The Communist Ministers resigned from the Government over the question of increasing the price of coal.

March 12.—The Government resigned, and M. Spaak was invited to form a Cabinet.

March 19.—M. Spaak formed a coalition Government comprising 8 Socialists, with himself as Prime Minister and Foreign Minister; M. Huysman (Education); M. Vermeylen (Interior); M. Merlot (Budget); M. Troclet (Labour); M. Van Acker (Communications); M. De Groote (Economic Co-ordination and Re-equipment); M. Delattre (Coal); and 9 Christian-Socialists, M. Eyskens (Finance); M. Struye (Justice); M. Verbist (Health); M. Orban (Agriculture); M. Begogne (Public Works); M. De Man (Reconstruction); and M. Wigny (Colonies). There were also 2 non-party experts, Col. de Fraiteur (Defence), and M. Moens de Fernig (Food).

BULGARIA. *March 10.*—It was learnt that the Government had on March 7 decided to call in the whole of the note issue, and had informed the foreign Missions that all currency in their possession must be given in to the National Bank by 6 p.m. the same day. Militiamen at once surrounded the Legations and the residences of the Ministers and questioned people entering or leaving. They also attempted to drag members of the French Institute from their cars and assaulted the Minister himself when he remonstrated.

The Foreign Ministry at once received a protest from the British and U.S. representatives, and as this was ignored all the Missions sent

representatives to the governor of the National Bank, who made it clear that the authorities wished to examine the accounts of the British Mission before exchanging its currency. This was at once refused, and after long discussion the governor agreed to exchange about a third of the cash holdings of the British, French, Italian, and U.S. Missions.

The Rumanian Minister, as *doyen* of the diplomatic corps, protested against the treatment of the French Minister, and Notes of protest were received from the British, French, Italian, Swedish, Swiss, and U.S. representatives and from the Apostolic Delegate.

A French woman journalist was expelled from the country.

March 11.—A collective Note was received from the Governments of Britain, France, Italy, Sweden, Switzerland, and the U.S.A. protesting against the treatment of their diplomatic representatives by the militia and against the refusal of the National Bank to exchange the called-in currency.

The Government handed a Note to the British representative in Sofia in reply to the British protest of March 7.

The Government sent letters to each of the 4 Foreign Ministers at the Moscow Conference, asking for reparations from Germany, on the ground that they declared war on Germany and fought against her, suffering 40,000 casualties.

March 16.—Expulsion of journalists from France. (see *France*.)

March 18.—It was officially announced that 2 "armed Greek bandits" crossed the border, and were killed by border guards when trying to return to Greece.

CHINA. *March 10.*—It was learned that economic difficulties since the Chinese took control of Formosa had recently caused widespread rioting, which began in Taipeh, in which several hundred people were reported killed.

Gen. Chiang Kai-shek announced he was sending "a Government official of high rank" to investigate the serious unrest in Formosa, which, he said, was due to Communist and pro-Japanese elements. Martial law was in force and troops would be sent to restore order. A Formosan delegation in Nanking demanded self-government for Formosa, the dismissal of the Chinese Governor, and the abolition of the Chinese monopolies.

March 11.—The Foreign Minister, in a statement issued in Nanking, said that China would not agree to the discussion of her internal problems at the Moscow Conference. The Government had previously made it clear in letters to the 4 Foreign Ministers that the Conference should confine itself to the peace treaties for Germany and Austria, and any extension of the agenda must be a matter for prior consultation among the 5 Foreign Ministers. The internal problems of any State represented in the Council of Foreign Ministers did not lie within the scope of deliberations by the Council.

March 13.—Li Chai-sum, Tsai Ting-rai, Madame Liao Chung-rai, and Peng Tze-min issued a manifesto denouncing "the corrupt, abusive, and inhumanly brutal dictatorial Government", and urging the

suspension of U.N.R.R.A. and Japanese reparation supplies. The régime was also condemned by Li Tsi-chen, a member of the Kuomintang and of the Military Council.

March 15.—Gen. Chiang Kai-shek, speaking in Nanking, emphasized the completeness of the split between the Government and the Communists, when he charged the Communists with armed rebellion, which, he said, the Government must quell by force.

Reports from Manchuria stated that Communists had rallied and were again attacking Tehwei. The Government forces claimed a minor success against the Communists besieging Tsinan.

The Government formally asked Britain, the U.S.A., and the U.S.S.R. to "cease any discussions in any form concerning China's internal affairs".

March 19.—After a week's fighting Government forces entered Yen-an, and found that the Communist forces had retired to the surrounding hills.

CZECHOSLOVAKIA. *March 10.*—Treaty with Poland. (*see Poland.*)

March 13.—The Austrian Trade Minister arrived in Prague for trade talks.

EGYPT. *March 10.*—Statement in Parliament by Mr. Attlee. (*see Great Britain.*)

The Prime Minister stated in the Senate that he would ask the Security Council to annul the 1936 Treaty with Britain. The Sudan, he said, would be given home rule within the Egyptian kingdom.

March 17.—The Arab League Council met in Cairo. Yussef Yassin (Saudi Arabia) urged that the Arab States should support Egypt's claim for the evacuation of British troops, and for the unity of the Nile Valley. Palestine must become an independent Arab State.

March 18.—In the Senate, the Wafdist Opposition asked for a division on a motion demanding the immediate withdrawal of British troops from Egypt and the Sudan. The motion was defeated, and the Opposition walked out.

The Minister of Finance announced that Great Britain had asked that the sterling balances be scaled down, and the request had been refused.

March 20.—The Secretary General of the Arab League stated that they had rejected a proposal by the Secretary-General of the United Nations for an international fact-finding commission on Palestine.

FRANCE. *March 14.*—Admiral Robert, commander of the West Atlantic Fleet in 1940 and High Commissioner for the West Indies, who prevented them and the Fleet from joining the Free French until 1943, was sentenced to 10 years' imprisonment.

March 16.—In reprisal for the expulsion of a French woman journalist from Bulgaria, the Government decided to expel 2 Bulgarian journalists and to withdraw privileges from 8 others, and also to break off negotiations, already begun, for a trade agreement with Bulgaria.

March 18.—In a debate in the Assembly on the Government's policy in Indo-China, the Minister for Oversea Territories said that the policy of agreement pursued by the Government had met with bad faith from the Viet Minh independence movement, which, he maintained, treated the agreement of March 6, 1946 (in which France recognized the Republic of Viet-Nam) purely as a tactical move. The Government with which this agreement was signed had included all the Annamese parties, but since then the moderate elements had been eliminated and no Government representative of the Annamese nation now existed. "On the day that we leave Indo-China, I am convinced that, militarily, politically, and economically we shall be followed by others." The Government wished to establish a peace which would enable France to stay in Indo-China, with the full consent of the Indo-Chinese, and they would not negotiate with those whose one idea was to evict the French.

March 21.—Claude Annet, Governor-General of Madagascar under the Vichy régime, was condemned to the loss of civic rights for life. Jules Brevié, former Minister of the Colonies, was sentenced to 10 years' imprisonment, loss of civic rights, and confiscation of his property.

March 22.—The Assembly, by 411 votes to nil, gave the Government a vote of confidence, the Communists and many oversea Deputies abstaining. The 5 Communist Ministers, after a decision of the Party, voted with the Government. (It was understood that the Premier had been persuaded by the President of the Republic and his party colleagues to accept this compromise. The Communists, as a party, refused to vote for the military credits for operations for Indo-China).

GERMANY. *March 10.*—All U.S. military payment certificates — the U.S. army currency abroad — were withdrawn as a medium of exchange in order to check counterfeiting activities. Similar action was taken in Austria.

Gen. Prawin, head of the Polish Military Mission, sent a Note to the Allied Control Council, complaining of the enlistment of Polish displaced persons and former prisoners of war in military and police organizations in the British and U.S. zones, pointing out that this prejudiced their return to Poland and brought them under anti-Government Polish elements.

March 15.—Gen. McNarney handed over his command as C.-in-C., U.S. Forces and Military Governor of the U.S. zone to Gen. Lucius Clay.

March 17.—The Co-ordinating Committee of the Liberal Democratic Party, meeting in Rothenburg in the U.S. zone, decided to found, with the *Frei Demokratische Partie* in the British zone and the *Demokratische Volkspartei* in the U.S. zone, the "Democratic Party for Germany."

March 18.—Otto Grothewhol, co-chairman of the Socialist Unity Party, said to press correspondents in Berlin "We take the view that no party that does not recognize the terms of the peace treaty should be permitted to exist in Germany for many years".

Kurt Schumacher, commenting on this statement at a party meeting, said that it showed sheer irresponsibility. It was essential to know the terms of the treaty and whether it was just and right. He again rebuffed appeals for a "unified Socialist Party" made by the Socialist Unity Party, who, he said, stood for "the same totalitarian methods as in the Third Reich".

March 23.—Reports were current in Berlin of the arrest in the Soviet sector of many leading young members of the Christian Democratic Union.

GREAT BRITAIN. *March 11.*—Soviet reply to the Note on Hungary. (*see U.S.S.R.*)

Replying in Parliament to the Egyptian Prime Minister's statement of March 3 on the breakdown of treaty negotiations Mr. Attlee said the situation could best be judged in the light of the agreements reached between Sidky Pasha and the Foreign Minister last October, providing for mutual arrangements for defence, for the evacuation of troops, and for the Sudan. The whole issue turned on the Sudan, and the reason why these agreements were not signed was because the Egyptian Government had tried to construe part of the Sudan protocol as meaning that they could rely on the support of H.M. Government to deny to the Sudanese complete freedom of choice when the time came for them to choose their future status. The Government favoured eventual self-government for the Sudanese, who would then be quite free to choose independence, or association, or even union with Egypt. It was untrue to state that "British policy is directed towards inciting the Sudanese to secede from Egypt". He pointed out that the Egyptians had few ties of race, language, or religion with the Sudanese, who came from many races and types and of whom over a third were not Muslim or Arabic-speaking. British troops, like Egyptian, were in the Sudan for the defence of the country, and it was incorrect to say that the presence of either of them made it impossible for the Sudanese to express their views freely. In reply to a question as to whether the evacuation of troops was being continued, Mr. Attlee said the Government had fallen back on its rights under the 1936 Treaty, but troops were leaving Cairo and going to the Canal zone.

March 13.—Twenty members of the U.S.S.R. Supreme Soviet arrived in London as guests of both Houses of Parliament.

Mr. Strachey arrived back from food talks in North America.

March 14.—The House of Commons voted a grant of £19 million for aid to Greece. The Minister of State pointed out that the Greek Government must have forces to maintain order, for it was the continued political and social disturbances that were holding up reconstruction. He was anxious that the United Nations Commission in Greece should make some recommendation, and the Government would give any such recommendation its full support.

March 15.—The Civil Estimates for 1947-48 were published, providing for a net expenditure of £682,318,000, a decrease of £496 million on the estimates for 1946-47.

March 16.—Mr. Lewis Douglas, the new U.S. Ambassador, arrived in London.

March 17.—A Treasury statement announced that agreement had been reached with the Netherlands for them to ship to Britain all surplus dairy produce. It was stated in the House of Commons that the estimated total cost, excluding capital expenditure on works services, of maintaining troops in Palestine from July 1, 1945 to Jan. 31, 1947, was £55,600,000.

March 18.—Mr. Attlee received members of the executive of the National Union of Mineworkers and was assured that the introduction of the 5-day week in the pits would not result in any fall in output.

Mr. Strachey opened the International Wheat Conference in London. Forty countries were represented. The U.S.S.R. sent no delegation.

The King approved the elevation of the British Legation in Bangkok to the status of an Embassy, and Mr. Geoffrey Harington Thompson was appointed Ambassador.

Mr. Attlee, speaking in the first of a series of party political broadcasts, said that the economic situation was too serious to be approached from a narrow party standpoint, but must be tackled from a national point of view. The nation's problems now were the same as the family's problems; the need was for food, clothing, shelter, fuel, and education, and a fine start had been made to solve these problems, in spite of great difficulties caused by shortage of labour and materials, and by damage suffered in the war. If the standard of life were to be maintained and increased "we want a sustained effort by the nation" and this must be directed by an overall democratic plan. Shortage of manpower, particularly in agriculture, textiles, and the mines, was the most urgent problem, and "victory in the battle for coal will be a decisive factor in our campaign for national prosperity". The need for more workers was desperate, and although some help would come from foreign labour, this was not enough. All who could work, should work and thus contribute to the goods and services on the increase of which the standard of living depended. People abroad were suggesting that the day of the country was over, but he was confident "we shall win in peace as we did in war . . . We will show the world today that British democracy can, by self discipline . . . overcome economic troubles, and so move on to better times for all."

March 20.—Further Note to Soviet Commander on Hungary (*see Hungary*).

The Government's reply to Polish concern that "intimidation and pressure" was being brought to bear in the despatch to Germany of Poles who failed to choose between the Resettlement Corps and repatriation, stated that there was nothing else to be done with them, who threatened to become a useless charge on the country. The loss of citizenship which joining the Corps might involve was a difficulty which could be removed by the Polish Government.

March 21.—Soviet reply to second Note on Hungary. (*see Hungary*.)

March 22.—Mr. Walter Nash, Deputy Prime Minister of New Zealand, arrived in London for trade discussions.

GREECE. *March 12.*—President Truman's speech on aid to Greece and Turkey. (see page 186.)

March 17.—The United Nations Commission of 9 members and 3 liaison officers travelled for 3 days into the Pindus mountains to meet the rebel leader, Markos. When they reached a rebel H.Q., they were asked to proceed further, which they refused to do, and sent a message to Markos asking him to come to the H.Q. at once. They waited 2 days, and as he did not come the British, U.S.A., French, Australian, Belgian, Brazilian, and Syrian representatives left for Salonika. The Russian and Polish delegates insisted on remaining behind, and the Albanian, Yugoslav, and Bulgarian liaison officers also stayed. The chairman of the team pointed out that they had no right of independent activity, and should therefore remain with the team. The commission later asked the chief liaison officers of the 3 countries that their representatives with the commission be withdrawn.

March 20.—John Zevgos, a leading member of the Communist Party and a former Minister, was assassinated in Salonika.

March 21.—The Ministry of Public Order stated that 40 people were killed when a right-wing armed band attacked the prison at Gythion, a port in the northern Peloponnesus.

March 22.—Martial law was proclaimed throughout the Laconia department owing to very serious unrest and rioting.

The Russian and Polish delegates and the 3 liaison officers who remained behind in the mountains after the rest of the United Nations commission had left, arrived in Salonika and reported having met Markos.

March 23.—Publication of U.S. reports on conditions in Greece. (see U.S.A.)

HUNGARY. *March 13.*—Three Ministers, all members of the Smallholders' Party, were dismissed and 5 Smallholder Deputies left the party, bringing the number of Deputies who had either left it or been arrested recently to nearly 30.

March 15.—The police arrested more people charged with conspiring against the Government.

March 17.—The Russian Commander received a further Note from the U.S. Government, pointing out that they considered that all the signatories of the Yalta Agreement should "take concerted action to investigate political conditions in Hungary; . . . the need for such investigation becomes the more imperative as there is disagreement between the Soviet and U.S. Governments on a matter of such basic importance". Such investigation would not impair the legal rights of the Hungarian courts, or constitute an infringement of Soviet rights to protect their occupation forces. The Russian reply of March 8 did not take account of the U.S. assertions concerning investigation of a plot against the Hungarian Republic, the trial of persons accused of the plot, and the Russian arrest of Bela Kovacs. All such investigation had been conducted by Communist-controlled police organs. Of the four-man court trying the alleged plotters, three members represented the minor-

ity *bloc* and only one the Smallholders, the majority party. Although the Russians claimed they had arrested Kovacs for espionage against the Soviet Army, he was only arrested after strong Communist agitation. "It seems clear to the U.S. Government that the minority groups under the leadership of the Hungarian Communist Party are attempting to seize power through resort to extra-constitutional tactics. In the opinion of the U.S.A., this clearly threatens the continuance of democracy in Hungary."

March 19.—The Soviet reply to the second U.S. Note pointed out that this did not raise any new questions of principle. So far as Kovacs was concerned, investigation was not warranted; he had confessed his guilt, both in respect of the conspiracy and of crimes against the Soviet forces. There could therefore be no joint investigation into the Hungarian situation.

March 20.—A further British Note, similar to the second U.S. Note, on the political situation in Hungary, was handed to the Russian Commander.

March 21.—Gen. Sviridov, in a reply to the second British Note on the Hungarian political situation, referred to his reply to the first British Note, and said he could not change his attitude towards the British proposal for an investigation of the situation and of the case of Kovacs.

INDIA. *March 10.*—Rawalpindi was cordoned off by troops and a curfew imposed. More villages were burnt by Hazara tribesmen between Murree and the Hazara border, and riots occurred at Attock. Some 1,600 airborne troops arrived in Multan, and dealt with bands of armed looters. The dead there were estimated at 200 since the riots began, with over 500 injured.

March 11.—Anti-Pakistan day in Lahore passed without incident. Many refugees from burning villages arrived in the city. The damage at Murree from arson and looting was reported to be very great, and at Attock and Campbellpore conditions were described as extremely grave, with much damage to Hindu and Sikh villages.

The Government of the North-West Frontier Province announced that on March 10 troops had had to fire on a mob in Peshawar, killing one and wounding 10, owing to trains being held up and the track damaged. Many cases of stabbing occurred, and a 12-hour curfew was imposed. Two Hindu temples were set on fire, and communications with the Hazara district cut. According to press reports the Muslim League had for 3 weeks been conducting a civil disobedience campaign against the Red Shirt, or Congress, Ministry, for the restoration of civil liberties.

In Harique, Abbottabad, and other towns a curfew was imposed.

March 12.—Police and troops in the Attock district were engaged with raiders from across the Indus.

March 14.—Figures of the casualties at Multan the previous week gave the dead as over 200, with more than 750 buildings gutted by fire, including many temples and shrines. At Ludhiana a curfew was im-

posed after several cases of stabbing, and at Rawalpindi further rioting occurred.

The Defence Secretary said in the Legislative Assembly that the Government had decided to withdraw all troops from Egypt and Palestine immediately, and from Japan as soon as it could be arranged with other members of the Commonwealth.

March 15.—At Sargodha, near Lyallpur, Hindus set fire to a mosque, and the Muslims then burnt 3 Hindu temples and many houses and shops. In the Jhelum district Muslims raided a village in force, but were driven off by troops and police.

March 16.—Casualties at Amritsar were reported to be 144 dead and 230 injured. Official figures for the Punjab were 1,036 killed and 1,110 injured.

Pandit Nehru saw the Governor of the Punjab in Lahore, after visits to Multan, Rawalpindi, and other disturbed areas.

The Hindu Mahasabha held a conference in Calcutta and adopted unanimously a resolution calling on the British Government and the interim Government to partition Bengal and set up a separate province for Hindus. In Calcutta communal rioting broke out, but was quickly suppressed by the police.

March 17.—Pandit Nehru said in Lahore that he thought the disturbances would completely end in a few days, and as far as he could see, the military were acting efficiently and with rapidity. If politics were conducted in this way, he said, "they cease to be politics and become some kind of jungle warfare which reduces human habitations to a condition of desert. India will go on the long distant path to her destined end of independence, and nothing that has happened is going to stop this. . . ."

Looting and arson were reported from the hill regions of the north-west Punjab, with rioting in many villages in the Pindi Gheb and Fatahjang areas. Near Shahpur troops fired on a crowd attacking a village.

Mr. Jinnah issued orders to the Punjab Provincial Muslim League to cooperate wholeheartedly with the authorities to restore order and to protect the lives and property of minorities.

March 18.—More serious rioting and murder occurred in the Attock district, but elsewhere conditions were reported to be quiet. It was learnt that about 2 divisions of troops were assisting the civil authorities, of which one sixth were British, but these latter were withheld from operations except in particularly urgent cases. Of the 50,000 odd Sikhs and Hindus in the Rawalpindi area over 20,000 had so far been placed in refugee camps.

March 19.—The Punjab Government promulgated a "Disturbed Areas Act", applying to all districts of Rawalpindi, the division of Multan, district and city of Lahore, and the municipalities of Amritsar, Jullundur, Sialkot, Ludhiana, and Hoshiapur. It prescribed the death penalty for attempted murder, kidnapping, rape, robbery, and arson, and for attempts to commit or abet any of those offences. It conferred upon magistrates and police officers power to fire on or otherwise use

force against persons acting in contravention of any law forbidding the assembly of 5 or more persons or the carrying of weapons or things capable of use as weapons.

The Governor-General issued an ordinance empowering officers and N.C.O.s of the British forces to use force in the same way as magistrates and police officers.

The Muslim League Party in Sind decided at a meeting at Karachi to declare the province a sovereign State when the transfer of power took place in June, 1948.

March 22.—Lord Mountbatten arrived in Delhi.

March 23.—Rioting was reported at Barpeta, Assam, following a clash with Muslim squatters in which 7 people were killed.

Lord Wavell left Karachi for London.

The Asian Relations Conference was opened in Delhi and was attended by delegates from Afghanistan, Armenia, Azerbaijan, Bhutan, China, Egypt, Georgia, Indonesia, Iran, Kerghizistan, Malaya, Nepal, Palestine, Siam, Tajikistan, Tibet, Turkey, and Uzbekistan. Delegates from Korea and the Philippines were reported to be on their way. Observers were also present from Australia, New Zealand, the Arab League, the Royal Institute of International Affairs, and the Institute of Pacific Relations.

ITALY. *March 13.*—The Foreign Minister sent a second Note to the Council of Foreign Ministers, repeating his request that Italy be allowed a hearing during the discussion of the German treaty, on the ground that she was deeply interested in the economic future of Germany, that she declared war on Germany, and had claims against her for damage suffered after the armistice.

March 17.—The Government announced that the Yugoslav Government had invited them to resume normal diplomatic relations, and this was agreed to.

JAPAN. *March 17.*—Gen. MacArthur, speaking on the situation to the foreign press in Tokyo, said that the occupation comprised 3 phases: military, political, and economic. Militarily, the occupation had been brilliantly successful; Japan's capacity for waging war was utterly destroyed, and the people understood that war did not pay. Politically, the basic standards of the country had changed; and "men are no longer pawns of the State". Although democracy was not yet achieved, its foundation was laid and the allies had little more to do except "watch and guide". Economically, "war is still being waged as bitterly against Japan as when the guns were being fired . . . She has been squeezed dry. Not even the atom bomb is as deadly as economic strangulation; the atom bomb kills by thousands, economic strangulation by millions". In economic matters there was not enough unity between the allied Powers. There was no clear-cut plan for the future of Japan or Germany. It was advisable for the world to initiate early peace negotiations with Japan, although that would not mean the relaxation of all controls. In his opinion, the days of the allied command

in Tokyo should cease entirely and all forces should be withdrawn once the peace treaty was signed. "Bayonet control is a mockery; if bayonet control, then better no treaty." Japan must be honestly protected since she would have no military machine of her own and would welcome "mild controls" of the United Nations.

Speaking of reparations, Gen. MacArthur said the present economic state of exhaustion in Japan was not generally realized, and if the blockade of the country were kept up, the U.S.A. would either have to support the Japanese, or let them die by millions. Japan required 3 million tons of food from abroad, and trade must be taken from the Supreme Allied Command and put into the hands of private traders. Once Japan was on her feet, she would be able to pay off the \$200 million now owed to the U.S.A. Japan had lost everything she possessed and should be allowed early resumption of her trade with the rest of the world.

JAVA AND SUMATRA. *March 22.*—The Cabinet of Dr. Sjahrir decided to authorize its delegation to sign the agreement with the Dutch for a "United States of Indonesia" and a Netherlands-Indonesian Union which was initiated in November, 1946.

THE NETHERLANDS. *March 10.*—A Note was received from the U.S. Government protesting against the restrictive trade regulations in the Netherlands East Indies, involving the detention of the American ship *Martin Behrmann*, which was stopped by the Netherlands Indies Government in Indonesian waters and the cargo seized.

March 13.—The Government received a formal statement from the U.S.A., concerning the *Martin Behrmann*.

March 14.—The Foreign Minister informed the U.S. representative that the U.S. protests against the seizure of the *Martin Behrmann* were rejected, as the cargo was believed to be stolen products of foreign factories which could not claim their rights. Impoverished Indonesia was being injured by such contraband trade, and the Dutch were still responsible for the country.

March 17.—Dairy produce for Great Britain. (*see Great Britain.*)

March 21.—In reply to a British Note, complaining of the stopping of British vessels in the East Indies, the Government maintained that the incidents took place within territorial waters, and cited ordinances upholding its case.

PALESTINE. *March 10.*—Terrorists attacked a camp at Hadera killing a British soldier and wounding 6 others.

March 11.—Hashomer Hatzair passed a resolution calling on the Jewish community for support against the terrorists. The Mayors of Tel-Aviv and Petah Tiqva issued a warning to the terrorists saying that their activities were disrupting Jewish organized life and asking the Jewish people to make a stand against terrorism.

March 12.—A Jewish immigrant ship was beached near Isdud and those who got ashore were rounded up. A British officer and 2 sailors

were drowned during the operations. Explosions occurred when terrorists raided an army H.Q. in Jerusalem and one soldier was killed and eight injured.

March 13.—The Government announced that, in spite of the refusal of official Jewish organizations to assist, 78 criminals had been caught through help received from the Jewish community. Terrorists attacked the railway near Petah Tiqva, where an oil train was derailed, and a goods train was derailed near Jerusalem. The Toelet Bank in Tel-Aviv was robbed by armed Jews and £14,000 stolen.

March 14.—Terrorists blew 3 holes in the oil pipeline near Haifa.

March 16.—The Government decided to end the statutory martial law as from noon, March 17. A bomb exploded in the Jewish Agency press offices in Jerusalem. A jeep was mined at Tiberias and 4 military policemen injured. A N.A.A.F.I. hut was destroyed by fire after home-made incendiary bombs had been placed against the walls.

March 17.—Cost of British forces in Palestine. (*see Great Britain.*)

March 18.—The Jewish Agency decided to continue its own efforts against terrorists and not to co-operate with the Government under the existing conditions of immigration which, they said, was the crucial issue. They would do nothing to prevent individuals from helping the authorities.

March 19.—A bomb was thrown at British policemen and soldiers at Zichron Yaakov, north of Hadera, killing one policeman and injuring 5 others.

March 22.—At Jewish Agency meetings at Tel Aviv Mr. Locker and Dr. Silver declared that the Zionist cause was being sacrificed by Great Britain to strategic considerations and power politics.

PARAGUAY. *March 11.*—The Government sent troop re-inforcements to Concepción, with orders to attack the rebel forces who were in control of the town.

March 12.—Civil war broke out between the Government and forces supporting ex-President Franco, a former popular left-wing dictator. Government planes bombed the rebels in Concepción. Asunción radio, in a message to Concepción, declared northern Paraguay a war zone, and added: "This is not an ordinary civil war, but a struggle of God, country, family, home, justice, work, and authentic democracy, versus atheistic, cruel, and enslaving Communism."

March 14.—The rebels were reported to have reached points only 75 miles from Asunción. Aircraft again bombed Concepción.

March 15.—During the bombing of Concepción an Argentine river steamer was damaged, and a protest was received from the Argentine Government.

March 18.—It was reported that the rebels had gained control of one-eighth of the country. The Government admitted that they had taken Peña and Hermosa near the upper Paraguay River, and Bella Vista on the Brazilian frontier.

Concepción radio announced that the garrison of Camacho had joined the rebels.

It declared that the rebellion was not political, but military, and had been organized by junior officers. A provisional administration had been elected in Concepción.

The Government declared a state of civil war throughout the country.

March 19.—President Morinigo attributed the rebellion to Communists, and pointed to Bolivian and Uruguayan Communist declarations supporting the rebels. The Government admitted the rebellion had spread. Concepción was again bombed.

March 20.—The Concepción radio reported that the Air Force and the naval river base of Bahía Negra, on the upper Paraguay River 250 miles north of the city, had gone over to their side.

March 21.—Concepción radio announced that cavalry had attacked the Government stronghold at San Pedro.

THE PHILIPPINES. *March 14.*—An agreement to run for 99 years was signed with the U.S.A., establishing U.S. rights to 23 military bases, which, by prior mutual consent, might be made available to the Security Council.

POLAND. *March 10.*—A 20-year treaty was signed with Czechoslovakia in which both countries pledged themselves to the "widest co-operation in every international action intended to maintain peace and security", and to mutual aid against aggression by Germany or any other country. All territorial questions were left in abeyance, and both countries agreed to seek solutions of these problems within 2 years.

March 14.—It was learned that the Russian loan bore an interest of 1½ per cent and would be repayable within 13 years. M. Stalin had agreed to allow the return from Russia of units of the Polish Home Army who were arrested in the summer of 1944. A number of Polish officers, originally believed killed at Katyn but who had been found alive in Russia, were expected to return, together with several thousand miners, whom the Russians deported from the west as Germans.

March 20.—British reply to queries on the Resettlement Corps. (*see Great Britain.*)

THE SUDAN. *March 16.*—The Governor General, Sir Hubert Huddleston, resigned, and was succeeded by Sir Robert Howe.

SWEDEN. *March 15.*—The Government announced a general ban on imports, excluding only certain essentials such as hides, cotton, wool, and petrol, in order to conserve foreign currency, as in 1946 imports greatly exceeded the total of exports. Coffee and tea were again rationed.

U.S.A. *March 10.*—Note to Holland on restrictive trade regulations in the East Indies. (*see The Netherlands.*)

March 12.—President Truman's speech to Congress on Aid for Greece and Turkey. (*see Page 186.*)

It was stated in Washington that Greece would receive \$250 million

and Turkey \$150 million of the \$400 million Congress had been asked to provide.

March 13.—The Export-Import Bank granted a \$50 million credit to Norway for purchase of goods in the U.S.A.

March 14.—Appeal for food from Marshal Tito. (*see Yugoslavia.*)

March 15.—President Truman received messages from both the Government and Parliamentary Opposition in Greece, welcoming the U.S. Aid. A statement from the White House called on the Greek rebels to accept with confidence the amnesty which the Greek Government was extending to all except those guilty of crimes against the common law.

March 16.—Mr. Lewis Douglas in London. (*see Great Britain.*)

March 17.—Further Note to Hungary. (*see Hungary.*)

March 18.—The Navy Department announced plans for the visit of the aircraft carrier *Leyte*, accompanied by 3 light cruisers and 6 destroyers, to Mediterranean ports including Istanbul and Suda Bay.

March 19.—Soviet reply to second Note on Hungary. (*see Hungary.*)

March 20.—The State Department informed Yugoslavia that there would be no "free relief" for that country from the \$350 million requested by President Truman for needy European nations, as its needs were not as urgent as those of certain devastated countries.

March 22.—President Truman issued an executive order for the purging of Government service of all employees found to be disloyal or subversive, and of "fellow travellers" of any totalitarian, Fascist, Communist, or subversive organization.

March 23.—Details were published of secret reports regarding Greece and Turkey put before the Foreign Affairs Committee of the House of Representatives. Among the findings were the following: In Greece the British forces would soon number only 6,000, but their presence probably had some effect on deterring Albania, Yugoslavia, and Bulgaria from aggressive action. In view of the weakness of the Greek army these three countries would have little difficulty in seizing a part of Greek territory. From the viewpoint of the Government and the majority of the Greek people it would be desirable for British troops to remain for a considerable time. The responsibility for deteriorating economic conditions and a worsening of internal order must be placed on the Communist-controlled left movement, and the U.S. representatives had become convinced that the increasing effrontery of Greece's neighbours and of E.A.M. was an indication of the belief that Greece was a "ripe plum ready to fall into their hands" within a few weeks, through lack of support by the Western democracies. The claim of E.A.M. to represent "democratic Greece" was unsubstantiated by evidence.

The strength of the bandits controlled by the Communists was only 13,000, but they were well organized and led, while the Greek forces were poorly armed, poorly trained, and poorly paid. The Communists' object was to establish a corridor from the Albanian border east to the Mt. Olympus area, cutting Greece in half. The bandits were trained, organized, and armed abroad before being sent to Greece to fight as

directed by the National Liberation Front, which had its H.Q. outside Greece. The U.S. Government had been deeply concerned with the security question arising out of Greece's relations with her neighbours, and "we have felt that there are fundamental relations between this problem and the overall security problem of the United States".

As to Turkey, the reports stated that the Turks remained adamant against any revision impairing their sovereignty over the Straits, while the Soviets appeared still determined to participate in the control and defence of the area. The Soviet claim to the Kars-Ardahan region could be justified neither by historical, legal, nor ethnic considerations, and the Soviet position must be set against the background of the historic Russian and more recent Soviet aims looking toward, firstly, the security of oil installations in the Caucasus; secondly, an outlet to the sea on the Persian Gulf; and thirdly, pressure on Turkey for Soviet orientation and a favourable régime in the Turkish State.

Financial credit from sources which believed that the territorial integrity and independence of the Middle East were necessary for world stability would constitute a firm assurance to the Turks that encroachment upon their sovereignty or integrity would not be countenanced.

U.S.S.R. *March 11.*—The Government's reply to the British Note on Hungary repeated that any investigation into the arrest of Kovacs would be an interference into Hungarian internal affairs, and an encroachment on the lawful rights of the Soviet occupation forces.

March 13.—Delegation of members of the Supreme Soviet in London. (see *Great Britain.*)

March 14.—*Izvestia*, commenting on President Truman's speech on aid to Greece and Turkey, alleged that the real rulers in Greece were the British military forces, who, since 1944, had helped to keep reactionary parties in power. The results were complete bankruptcy. The U.S.A. did not criticize British practice, because they planned to follow the British example. They clearly did not wish to abide by the obligations they assumed before the United Nations, but were acting instead over its head. As for Turkey, no one was threatening her integrity. Mr. Truman's arguments about the threat of totalitarian régimes were reminiscent of Hitler's screams about Bolshevism. The argument that the U.S.A. had been "called to save" these countries was only a screen for U.S. expansionist plans.

YUGOSLAVIA. *March 14.*—Marshal Tito sent an urgent appeal to the U.S.A. for immediate food relief, pointing out that the non-privileged person's rations had had to be reduced to 700 calories and that 3 million Yugoslavs faced starvation. The appeal was supported by the officials winding up U.N.R.R.A. affairs in the country.

March 17.—Resumption of diplomatic relations with Italy. (see *Italy.*)

THE MOSCOW CONFERENCE

March 10.—The four-Power conference opened in Moscow, and M. Molotov suggested that they should discuss the situation in China, on the ground that agreement had been reached in Moscow in the conference of December, 1945 on the need for a unified and democratic China, non-interference in her internal affairs, and the withdrawal of allied forces as early as possible. The situation had not improved since, and he asked that the conference should hear the views of the three Powers on how their common decision had been carried into effect.

Gen. Marshall asked whether China would be represented, and M. Molotov replied that he was merely proposing that they should review the decisions taken at the 1945 conference, at which China was not present. Gen. Marshall said he would consider the matter and reply next day. He then suggested that the four Ministers should revive an earlier proposal by Mr. Byrnes and discuss the limitation of allied troops in ex-enemy countries. M. Molotov said he would reply next day.

Mr. Bevin proposed that without further ado they should record their decision to liquidate Prussia, which should not be reconstituted as a single State but remain divided into separate provinces or *Länder*. This was agreed.

March 11.—Mr. Bevin said it would be highly improper for them to discuss China if she, a member of the Council of Foreign Ministers, were not represented, but they could give and receive information informally among themselves and not as members of the Council. Gen. Marshall said he was not prepared to discuss China at the table, but would be glad to exchange views with M. Molotov and Mr. Bevin. M. Molotov suggested that in that case a *communiqué* should be issued afterwards.

Later, M. Bidault, on the German question, said he would bring forward proposals for controlling and reducing heavy industry, asking the other Ministers to remember the difficulty of separating war from peace industry. Gen. Marshall and Mr. Bevin agreed on the need for reduction of Germany's industrial war potential, but said it could not be complete until Germany was treated as an economic unit. Until then a higher level of industry was needed in the western zones to produce goods to pay for imports of food.

M. Molotov complained that in the west war industries were not being destroyed, factories to be handed over for reparations were not being dismantled, and German military formations were being maintained. Organizations like the Herman Göring Works and the I.G. Farbenindustrie were intact, and, according to "a British command report", dated Jan. 1, only 7 per cent of all tank, aircraft, artillery, and other military factories in the British zone had been dismantled. On Jan. 1 he had received lists from the western zones detailing 1,554 factories from which equipment would be removed for reparations, but at that date it had been removed fully from only 3 of them and partly from only 37.

The U.K. and the U.S.A. still kept German military formations in being, that is, German units under German officers. In the British zone there were 81,000 Germans organized as auxiliary detachments, and in the American, 9,000. He proposed that a resolution be passed to instruct the Control Council to draw up by July 1 a plan for eliminating all German war potential, to be carried out by the end of 1948; to speed up the destruction of war material and of military installations; to disband and liquidate all military units; to disband and send home all non-German nationals.

Mr. Bevin pointed out that all organizations in their zone had been fully reported to the Control Council from time to time; the men were mainly engaged in mine-sweeping, and he had no intention of using British men, whether at sea or on land, to deal with mines laid by Germans. As for the non-German units, that raised the question of forced repatriation, and Britain was not willing to use force. It would be useful, he added, to have a fuller picture and to be told the total number of German prisoners outside Germany.

March 12.—Mr. Bevin, answering M. Molotov, said his anxieties about the German units were "somewhat unrealistic". They were not military formations, and they numbered 80,000 men, of whom 20,000 were sweeping mines and 60,000 on timber work, road repairs, etc. They were not in their original units or with their original officers, and were unarmed, and supervised by British units. The British authorities were gradually replacing them by ordinary labour units, and the *Dienstgruppen* would disappear. The Yugoslavs in the British zone had now been classed as displaced persons, they were mixed up, and the only time they carried arms was on sentry duty—some were being used as guards replacing British soldiers.

Mr. Bevin then asked M. Molotov how many German prisoners were in Russia—the figures were reported to run to some millions—and whether any had joined the Soviet forces; also when and at what rate they would be returned home. He was ready to give all information about the Germans still in Britain.

He was surprised at the charge that the industries in the Ruhr still remained grouped in large trusts or cartels, since steps had been taken to bring the basic industries under the control of the British commander, who had made it clear that they would not return to their former owners. The British Government had consistently taken the view that these industries should be taken out of private ownership altogether.

M. Molotov had shown that more factories had been dismantled in the Soviet zone than in the west, but the Potsdam provisions for dismantling had been drawn up on the assumption that Germany would be treated as an economic whole, and that had not come about. One part of the provisions could not be disregarded without profound effect on the rest. He considered that the agreement of March, 1946 severely restricting the level of German industry would have to be revised, as they had since learned more about the German problem. They must ensure that Germany had an adequate peace potential, otherwise, if she became an economic cesspool in the middle of Europe, they would

sow the seeds of another war. Where the line should be drawn between war and peace industries required fresh study, and he could not agree that the deputies should now be instructed to draw up a new directive for the elimination of "war potential".

Gen. Marshall said he was in general agreement with Mr. Bevin, and M. Molotov agreed that he had clarified the *Dienstgruppen* problem but asked for them to be eliminated altogether — the Soviet and French zones got on without them — and the "Royal Yugoslav Army", Gen. Anders's men, etc. also. He then said his Government were ready to give all figures about German prisoners if the others did so. It was quite untrue that any had been organized as a German army on Soviet territory. He also said that there had been delay in breaking up the German warships taken over, owing to technical difficulties, but steps were being taken to carry out these obligations fully.

He was not satisfied about the abolition of cartels in the British zone, but would go into the matter later. He was willing to see the level of industry revised, and agreed that they should strive for economic unity, but difficulties should not be cited to prevent the elimination of war potential.

Mr. Bevin replied that he would be ready to fix a date for disbanding the *Dienstgruppen* as soon as they had finished their work.

The Ministers agreed that no major questions should be referred to the deputies until they had reviewed the whole German question by studying all the Control Council's report.

March 13.—The four Ministers discussed the progress of denazification in Germany, Mr. Bevin stating that since April, 1946 250 panels in the British zone had examined $1\frac{1}{2}$ million cases, and 296,000 persons had been removed from their positions and 34,000 interned. He said he was convinced that the process of accusation and counter-accusation regarding what each occupying Power was doing was not only pointless but unjustified, but as M. Molotov had spoken of alleged Nazis in the British zone he gave him the names of 5 prominent Nazi experts employed by the Soviet Union, adding that he had 30 or 40 other names if M. Molotov wanted them.

Gen. Marshall said that in their zone 450 tribunals had tried over 200,000 persons, and 12 million had been registered for examination, of whom half had been cleared. He said the Control Council had not received full information from the Soviet zone. The U.S. authorities did not allow Nazis to join political parties and were disturbed by frequent reports that in the Soviet zone active Nazis could be cleared simply by joining the Socialist Unity Party. He proposed that the Council should record the view that unification of denazification practice was imperative, and that the Control Council in Berlin should be instructed to direct the German authorities to enact a uniform law.

M. Molotov said 390,000 people had been removed from office in their zone. He proposed that the Control Council be instructed to concentrate on urgent measures to remove former Fascists from all public and semi-public posts, to remove judges and court officers with Nazi pasts, and to replace them with democratic officials. He also asked

that the Council should approve the right for German parties and free trade unions to unite to hold conferences representing all Germany, to allow all-German elections on a basis of proportional representation, and to ensure that land reform was carried out during 1947 in the 3 Western zones. He acknowledged that progress had been made in the Western zones, but men who helped Hitler to power were still in important positions there, e.g. the head of the iron and steel industry in the British zone and men like Hugenberg, Zonggen, and Poensgen. In the U.S. zone 35 per cent of the judges and prosecutors were Fascists, in the British, 43 per cent, and in the French zone 50. Gen. Marshall had produced no facts in support of his charge about the Socialist Unity Party.

Mr. Bevin asked for the acceptance of a resolution reading: "The Council notes with approval the effective progress made to destroy the Nazi Party in accordance with the principle of the Potsdam Agreement; directs the Control Council to pursue its task energetically with a view to the earliest possible completion; reaffirms the principle of the Potsdam Agreement for reconstruction of the German political basis."

He doubted whether the U.S. proposal for a new law was feasible because it would involve delay, and he was not in favour of the Soviet proposal for proportional representation — people, he thought, should vote for individuals and not lists. The list system was one of the biggest factors in bringing Hitler to power, and he did not want a small party dominating Germany and bringing back a Hitlerite totalitarian régime and encouraging aggression, "particularly as some Germans are naturally military animals". He went on to criticize conditions in the Soviet zone where, when Social Democrats refused to join the Socialist Unity Party they were often refused any representation at all. "It is hard," he said, to "reconcile that with our idea of democracy."

The debate was adjourned.

March 14.—A British paper was circulated showing the number of German prisoners still held as 435,295, who were being repatriated at the rate of 17,500 a month, to be raised to 20,000 a month from July. M. Bidault said France was holding 631,483 (593,276 in France) of whom over 500,000 were directly engaged in the French economy. The U.S. delegate said they had only 15,103 outside Germany (13,825 in Italy), and 15,873 in the U.S. zone of Germany.

Gen. Marshall read a paper showing that 80 of the 117 arms plants in the U.S. zone had been completely liquidated and work on all the rest was in progress. As for industries not directly for armaments but prohibited in Germany no date for their removal could be set. Many of them, such as synthetic fertilizers, gasoline, or rubber, would be removed only when exports were sufficient to pay for the necessary amounts of those products to be imported. He also said that further consideration of the level of industry agreement might affect certain of those industries. Such industries were necessarily bound up with the overall problem of reparations, the level of industry, and the economic unity of Germany.

In another paper he reviewed the principles of "democratization"

which should be applied to Germany, saying he believed its reconstruction on a democratic basis required that the basic law within each State, and the practice of the occupying authorities, should assure the basic human rights of every individual and effectively prevent any Government or group, however powerful or numerous, from taking such rights from, or imposing fears on any individual, however weak or however few. Unfortunately, however, the Allied Control Council had not yet been able to agree on the guarantees necessary to assure the political and economic freedom of all parts of Germany. There was no uniformly effective guarantee of civil and political rights, trade union rights, freedom of the press and radio or freedom of movement. He promised to circulate later a proposed directive to the Control Council to ensure greater uniformity. As to the Soviet statement that there were 9,000 persons in military units in the U.S. zone, he said 8,000 were in labour units on Jan. 1, and an order had been issued for their quick dispersal.

M. Molotov said freedom of the press did not permit freedom to propagate Nazi or aggressive doctrines.

Later M. Bidault said he did not share Mr. Bevin's dislike of proportional representation and in the French zone they had decided to apply it as it existed before Hitler's régime.

The Soviet news agency reported that there were 890,532 German prisoners in Russia, and that over a million had been repatriated since the surrender.

March 15.—M. Bidault read a paper on displaced persons, emphasizing that Germany's wealth in man-power constituted a powerful element in her war potential, and that a Germany with an unbalanced population would always provide a latent danger of war if the population found difficulties in living on the available territory. He begged his colleagues to look at the kind of Germany with which they would be confronted in the future. The census of 1946 showed a population of 66 million, i.e. 40 more to the square kilometre than in 1939. Over 4½ million had been transferred from Czechoslovakia, Hungary, and Poland on the basis of the Potsdam decisions, and 2 million prisoners of war and an unknown number from Denmark, etc. were still to come.

He asked the Council to accept 4 proposals: (1) No new transference of Germans beyond those already decided on; (2) Germans not yet repatriated on the basis of Potsdam to be kept where they were, with the consent of the States interested; (3) there should be no permanent establishment of displaced persons on German soil; and (4), the emigration of Germans should be organized.

Mr. Bevin said that about 2 million D.P.s who were in the British zone had been returned home, and of the 230,000 still left over half were Poles and 82,500 were Baltic States nationals. There remained the question of the return home of German refugees in other countries and those due to be expelled from other countries. The population of the British zone had already increased by 2½ million over the 1939 total and had reached saturation point. He gave notice that he could accept no more Germans from the territories outside the existing administrative areas other than those for whom a programme had already been estab-

lished. He suggested that the Control Council should be instructed to set up a special German commission which would study the possibility of redistributing the Germans already returned home in order to spread the weight more evenly among the zones.

M. Vyshinsky read a statement for M. Molotov criticizing the handling of D.P.s in the Western zones. There were still 827,000 in the British zone, including 221,000 Soviet citizens, 236,000 Poles, and 24,000 Yugoslavs. Many Soviet citizens were subject to attack by Fascists who were preventing their return. There was the Ukrainian centre at Augsburg, the White Russian committee at Regensburg, and the central Baltic committee at Detmoldt. He proposed that the Control Council be instructed to ensure that an official representative of the interested countries should be guaranteed free access to the camps, that propaganda against any allied country or against the return home of nationals should cease, that all committees such as he had mentioned should be dissolved, that there should be no recruitment of D.P.s in paramilitary formations, that the camps should be staffed by nationals of the country of the inmates, and that a four-Power commission should be set up to discover the wishes of the D.P.s.

Gen. Marshall replied that the Soviet charges had been made before and disproved, and proposed that they should pass on to other subjects. This was done on the understanding that the proposals should be considered later.

At a meeting of the deputies for Germany deadlock was reached when M. Vyshinsky wished Albania to be included among the States to be consulted, and he insisted that before going on to other matters the deputies must refer the matter to their Ministers. He gave his report to the Ministers, and Mr. Bevin then declared that it was highly improper that when the deputies disagreed one deputy should say that he would have no further discussion unless he got his way, and that the meeting should break down. The deputies should simply have recorded their disagreement, gone on to other questions, and presented a complete report. The method of selecting one question in which one country was keenly interested and detaching it from the work of the deputies was new and alarming.

It was eventually decided that the deputies should continue their work and present a full report by March 19.

Gen. Marshall informed M. Molotov that he was not willing to take part in any conference regarding China, "however informal". He suggested a written exchange of information before April 1, with copies sent to China.

March 17.—Mr. Bevin, speaking on German economy and the reparations question, asked that a fresh start be made, and a new practicable plan for reparations be drawn up and implemented, containing also a fresh determination of the plant and equipment to be removed and a substantial alteration of the level-of-industry plan. As a basis for this determination he proposed that the Foreign Ministers should fix a revised level for steel capacity, this to be also the permissible production. The list of prohibited industries should be reviewed, and the control

Powers should cooperate in expediting reparations deliveries of German plant and equipment.

He emphasized that economic unity was of itself indivisible and they could not act in some matters as if it had been achieved while in other important matters that principle was not applied. Because it had been impossible to get agreement on economic unity Britain and the U.S.A. had effected a zonal fusion, and this would stand until agreement was reached for unification on satisfactory conditions.

Under the existing plan for reparations removals German industry would be depressed to a point below that necessary for a balanced economy and would be detrimental to the economy of Europe as a whole. The burden of British occupation responsibilities could not be added to and "any partial agreement on economic unity, any agreement on the level of industry that ignored the essential requirements of German economy would add to our burdens. I cannot and will not be a party to such agreements."

No one was satisfied with the progress made in reparations. There was no need to depart from the Potsdam principle of speed in execution and it was essential to complete the removals quickly. This was possible only if the fog of uncertainty shrouding the whole process was lifted. There was uncertainty about the situation in the eastern zone, as no figures had been produced regarding removals.

M. Molotov said the Western Powers had disregarded the Potsdam Agreement and presented the Control Council with a series of *faits accomplis*, and then pointed out that a protocol had been signed at Yalta by which Russia and the U.S.A. had agreed that reparations should be fixed at \$20,000 million, half of it for the U.S.S.R. This represented only one-tenth of the losses suffered on Soviet territory.

His proposals for economic unity were: (1) central German administrations should be established for finance, transport, communications, foreign trade, and industry; (2) the level of industry should be increased and based on steel production of 10 to 12 million tons a year; (3) the Ruhr industries should be brought under four-Power control; (4) measures should be taken to improve the financial position and the circulation of the currency; (5) also to increase exports; and (6) to transfer cartels and trusts to the State; (7) the fusion of the British and U.S. zones should be annulled; (8) reparations should be fixed at a figure based on world prices in 1938 and guaranteeing the U.S.S.R. \$10,000 million worth, to come mainly from bulk removals of industrial plant, current output, and foreign assets; (9) the four-Power reparations commission should resume its work; and (10) no obstruction should be placed in the way of peaceful development of German industry for the benefit of the people.

Gen. Marshall urged that as a first condition of economic unity there should be common use of all indigenous resources, free trade throughout Germany, common ration scales, and allocation of scarce commodities on common standards. All property used by the occupying Powers must be considered an integral part of the German economy. He pointed out that there was no central control with respect to the group of industries,

making up a substantial part of industry in the Soviet zone, which was known as the Soviet *Aktiengesellschaft*. While the Russians had not yet furnished information on this organization it clearly had not been subject to the Allied Control Authority, but had "represented extraterritorial privileges exercised by a foreign Government," and it appeared inconsistent with the principles of economic unity agreed on at Potsdam.

Goods were taken out of the Soviet zone as reparations, and he asked that this process should be reversed, and that Russia should share in the feeding of Germany; further, an understanding was necessary among the four Powers for sharing the cost of importing food. Until full economic unity was achieved and information was received from all zones no real solution of the reparations problem was possible. In any case, decisions could be taken only after full study of all the German problems.

The Ministers agreed only on the need for the early establishment of central administrative agencies for transport, finance, communications, etc. and for the raising of the permitted level of industry.

March 18.—M. Bidault proposed that, by the treaty terms, Germany should be required to export a specific part of her coal production to the Allies as a condition of being allowed a higher level of industry. He did not reject the idea of reparations from current production, but said there was danger in raising the industrial level to enable such a plan to work. He proposed that as agreement on central organization was hardly necessary before it had been reached on the principles it would be called on to apply the deputies should be asked to report on what was meant by principles of economic unity.

France could not accept an alteration in the level of German industry unless in the settlement Germany was obliged to export a proportion of her coal output. Steel production capacity should not roughly exceed the figure fixed in March, 1946. As to economic unity France had never been opposed to the principle of provisionally considering Germany as an economic unit within the present frontiers without waiting for the establishment of the future status of the Ruhr and Rhineland, except for one stipulation: the immediate integration of the Saar in the economic and monetary sphere of France. But so long as the frontiers were not fixed she could not agree to the organization of central administrations to apply economic unity. She accepted the principles of the draft treaty presented by the U.S.A. Controls should remain in Germany for a long time after the end of occupation, and the treaty should provide for the control of economic disarmament. The industrial potential to be left to Germany should be defined by July 1, and reparations payments of capital goods from the Western zones should be completed by Dec. 31.

In a discussion on reparations M. Molotov said the Western Powers posed as though they were not interested, but the U.S.A. and Britain had received all the German gold found in their zones and all German external assets. They had a large part of the merchant fleet as well as patents and inventions to a total value, according to the press, of over

\$10,000 million. They and France were also taking coal and timber as reparations at a low price.

Mr. Bevin expressed amusement at these reports, and said all the information about patents, etc. was assembled in a book available to everyone. He would put in a statement covering everything Britain had taken as reparations.

Gen. Marshall pointed out that the U.S.A. was holding the gold only for disposal by the Inter-Allied Reparations Commission. As for the figure of reparations fixed at Yalta both President Truman and Mr. Byrnes had made it clear afterwards that it was accepted only as a basis of discussion, and that at Potsdam the idea of trying to fix a dollar value was dropped in favour of a new scheme.

M. Molotov denied that there was any conflict between the Potsdam decisions on capital deliveries and the Yalta understanding on the wider claims uncovered by such deliveries.

Mr. Bevin and Gen. Marshall, in replies to M. Molotov's proposal about China, said they thought any discussion would be bound to involve internal affairs, and they therefore proposed that the three Powers should only exchange written reports on their actions in China, in fulfilment of the Moscow agreement of December, 1945.

March 19.—Mr. Bevin said that the British attitude about the Yalta protocol on reparations was shown by the telegram sent by the War Cabinet to Mr. Churchill at Yalta saying they considered it "quite inadmissible to state any figure for reparations until the possibilities are properly investigated on the spot". \$20,000 million spread over 10 years was £500 million a year, roughly equal to Germany's pre-war exports. It was not to be thought that this should be paid by Germany, "bombed, defeated, perhaps dismembered, and unable to pay for imports". Ability to pay for imports must have at least priority with reparations; otherwise "we shall find ourselves paying for the imports necessary to keep Germany alive while others obtain the reparations".

As to the Soviet proposals for four-Power control of the Ruhr he did not think one part should be singled out, but agreed that when economic unity was established there should be four-Power control of production and allocation of industry in all parts, the Ruhr included. This would conform to the Potsdam decisions. Meanwhile, the Ruhr was in the British zone and would remain there until different arrangements were made and there was an agreed general control of industry providing for equality of treatment throughout Germany. He saw a danger in associating the level of industry with reparations demands; the second should not govern the first.

As to the fusion of the two zones, if it could be superseded or absorbed in a wider scheme of unity so much the better. "But until then or until it is amended by agreement I am under instructions from my Government to say that it will continue." He denied that cartels and trusts still existed in the British zone. As to public ownership of these he did not like the idea of a central Government eventually being in charge, and would prefer to see them associated with local administrations.

March 20.—M. Bidault told the conference that France was not

ready to enter into other agreements on Germany unless French requirements as regards coal were met. Mr. Bevin said this condition would make it impossible for the deputies to reach any kind of solution. He could not accept it, as it would involve Britain in further financial commitments.

The best method was for full discussion of all the views, without any conditions attached to their study.

March 21.—Mr. Bevin circulated the British views on the political structure of Germany, advocating the eventual establishment of a constitution based on the rule of law and providing for the division of powers between the *Länder* and a central Government. The *Länder* should as far as possible be charged with the execution within their territories of legislation enacted by the Government, in addition to their own laws.

The Government would have responsibility for foreign affairs, nationality, immigration, emigration, and the implementation of treaties; also for the fundamental principles of criminal, civil, and commercial law, copyright, patents, etc.; for negotiable instruments; Customs, foreign trade, transport, posts and telegraphs, etc.; and for the issue of currency, co-ordination of banking, and control, to some extent, of taxation.

As to the form of central government, there would be a president, with constitutional powers but without executive authority; two Chambers, one, popularly elected, representing the nation, and the other the separate *Länder*. The latter should be elected on the basis of equal representation for each *Länder*; and should have powers of absolute veto on constitutional matters and of a suspensory veto on other legislation. A supreme court should be established to safeguard the Constitution.

The stages were then outlined by which a constitutional democracy could be established, beginning with central administrations, as laid down at Potsdam. For an indefinite period the Control Council should reserve to themselves the whole process of disarmament, de-Nazification, the breaking up of cartels, reparations, prisoners of war, D.P.s, war criminals, foreign relations, the requirements of the occupying forces, and foreign exchange receipts.

Mr. Bevin said Britain felt apprehensive about setting up a highly centralized Germany; she did not want to see a Germany recreated in which one party or authority attracted to itself all power, as it had under Hitler. If a central Government was not rooted in the people then the Allies would be creating only another machine which would ride over them. He wanted them first to agree on basic principles, before they set the experts to work. The essential principle was that power rested in the people and went up through the *Länder*.

Gen. Marshall suggested 3 stages by which a democratic Government might be established: first a provisional Government, composed of heads of the *Länder* Governments and including Berlin, with sufficient powers to create and operate central administrative agencies; second, a constitution to be drafted which would be "German in origin and consistent with democratic principles and political decentralization";

and third, the assumption of authority by the central Government created by the constitution and the *Länder* authorities.

Mr. Bevin also circulated details of reparations received by Britain, i.e. value of industrial equipment allocated by the Inter-Allied Reparations Agency, 4,400,000 reichsmarks (at 1938 values), of which 1,300 tons, valued at 1½ million marks, had been dispatched to the U.K.; value of machinery removed for technical investigation, £200,000; value of 350,000 tons of shipping received, £6,350,000; and value of German assets in the U.K. (to be charged to the Inter-Allied Agency account) between £15 and £20 million. No reparations from current production had been taken from the British zone, and no gold found in Germany had been or would be made available to the U.K. by way of reparation or restitution. The 235 tons captured in the Western zones was being held on behalf of the Inter-Allied Agency Powers whose gold was looted by the Germans, and Britain was not among the number. Patents, including 70,000 war-time specifications, had been examined in the British zone, but the reports had been published and might be seen by any allied official.

Gen. Clark, reporting for the deputies on the Austrian treaty, said that several economic clauses involved important issues on which no agreement had been reached, such as the German assets in Austria. Gen. Marshall circulated a memo. suggesting solutions, and M. Molotov proposed that the deputies should complete their work by the end of the next week, during which the Ministers should express themselves on the memo.

The Ministers decided to invite Austrian representatives to Moscow at once, to present their views. Gen. Marshall, who proposed this, said his Government did not consider Austria as an enemy.

March 22.—M. Molotov presented his proposals for Germany, which included the creation of a temporary central Government and the restoration of the *Landtag* (State Parliaments). This temporary organization should be based on the following considerations: 1. The political structure should be democratic and the organs of government based on democratic elections. 2. Hitler's centralized system should be liquidated and an administration created like that in force before. 3. A temporary central Government should be created which, while assuring the political and economic unity of Germany, could assume responsibility for the execution of the obligations to the Allies. 4. As a first step to this, central administrative departments for finance, transport, communications, and foreign trade should be created. 5. The Control Council should be instructed to draft a temporary constitution, with the help of the democratic parties, free trade unions, and other anti-Nazi bodies, and representatives of the States. 6. Elections should be held on the basis of the temporary Constitution to form a temporary Government. 7. The Government should be required to eradicate the remnants of militarism and Fascism, to effect the general democratization of Germany, and put into effect measures for economic rehabilitation. 8. The permanent Constitution must be ratified by the people.

He said there were plans aiming at eliminating Germany as an independent State, but the Soviet Union did not share in them. One could not destroy Germany as a State or convert her into a backward country. Plans such as the federalization of Germany or the separation of the western part of Germany would be incompatible with the task of democratization or the interests of world peace. The idea of revenge would raise its head, and conditions would be created for the reappearance of small and big Hitlers. With a federated Germany there would be no Government able to take responsibility for fulfilling the obligations to the Allies. At Potsdam federalization had not even been discussed.

The Ministers set up a four-Power committee (Gen. Clay, M. Alphand, M. Vyshinsky, and Sir Edmund Hall-Patch) to coordinate and compare all the proposals submitted.

Mr. Bevin circulated a memo. on economic principles, reparations, and the level of industry. On the basis of the Potsdam decisions, he said, "There shall be an equitable sharing between the occupying Powers of the burden of the cost of the occupation, past, present, and future; and expenditure so incurred shall be 'recovered' from Germany as a first charge on production"—i.e. before any deliveries of reparations. The memo. also stated that "An export-import plan shall be drawn up which shall provide for the proceeds of all exports from current production and stocks to be used in the first place to pay for imports".

On reparations, it proposed that a fresh determination of plant and equipment for removal should be made by the Control Council, on the basis of the revised level-of-industry plan, not later than July 1. The delivery of plant, etc., should be hastened, and the liquidation of factories especially built as war plant should proceed forthwith. On the level of industry, it proposed that Germany be left with sufficient capacity to produce eventually 10 million ingot tons of steel a year; the limits in other restricted industries should also be raised, and the list of prohibited industries reviewed. The rate by which steel production was increased should be determined in relation to the need for coal exports, provided that the burden of the cost on the occupying Powers was not increased as a result of this consideration.

M. Bidault, speaking on the German State structure, advocated the establishment of central administrations once there was agreement on economic unity, but thought it premature to contemplate a provisional Government. They should work from the bottom and in easy stages, the first stage being the provision of constitutions and popularly elected assemblies for the various *Länder*.

THE SECURITY COUNCIL

March 10.—The U.S. delegate submitted a new resolution on the Atomic Energy Commission's report, inviting the Commission to continue its work and develop specific proposals as soon as possible. Replying to M. Gromyko's statement of March 5, he traced the development of U.S. policy on atomic energy from July, 1945, and said this proved that to say that America was promoting an international monopoly for herself was the opposite of the truth. The Soviet attitude was inconsistent with fulfilment of the Commission's terms of reference, to which the Soviet Union had subscribed. Under the guise of the word "international" they had put forward proposals which did not provide for international control at all, which at best would give no security, and at worst would leave scope for national rivalries in the development of atomic energy, and would be an incentive to distrust and finally to preparations for an atomic war.

Meanwhile, the Council had the duty of facilitating the work of the Commission, and this could be done by adopting his new resolution. The Commission's next report, due before the autumn session of the Assembly, would enable the Council to judge whether a system of international control of atomic energy was to be possible.

Other delegates also regretted the "negative" statement by M. Gromyko, and pointed out that the novel and monstrous character of the atom bomb might necessitate some revision of the conventional ideas of State sovereignty held by Russia.

The Council unanimously adopted the U.S. resolution.

March 12.—The Council acceded to requests by New Zealand and India to take part in its discussion of the U.S. draft trusteeship agreement for the Pacific islands formerly mandated to Japan. New Zealand asked that she and Holland, Canada, India, and the Philippines should take part, and India asked independently to be allowed to sit through the whole debate. The Australian delegate wished for a guarantee that the trusteeship proposal should wait to be confirmed in the treaty with Japan.

Sir Alexander Cadogan asked that the U.S.A. should renounce its claim to economic and commercial preference in the islands; also that it should tell the Security Council whenever it intended to ban any part of them from United Nations inspection.

The U.S. delegate intimated unwillingness to agree to the Australian proposal or to the British plea for equal trading rights.

March 15.—The committee of three (Australia, Colombia, and Poland) issued its report on the Corfu Channel incident. The only agreed conclusion was that the British destroyers were heavily damaged and that 44 lives were lost.

March 17.—Discussing the trusteeship agreement, Australia proposed adding to it an article making its approval by the Council subject to confirmation by the Pacific peace conference, or that an article be added stipulating that the agreement should not come into force until a peace treaty had been concluded by which Japan surrendered her rights.

The U.S. delegate objected to his Government being placed in the position of having to ask Congress to ratify an agreement the entering into force of which was contingent upon the terms of a future peace treaty. He argued that the Council was entitled neither to surrender any part of its jurisdiction to the peace conference nor to dictate to it what its decisions should be. In any case, the terms of Japan's surrender had disposed of her rights in the islands.

Sir Alexander Cadogan pointed out that the surrender terms were never entirely final, and the peace treaty might, possibly, be different, and asked what, then, would be the position of the trusteeship agreement? It was not unusual for legislators to ratify decisions the entry into force of which was contingent upon circumstances beyond their control. The Security Council was master of its own proceedings, and he therefore supported the Australian amendment, which, he thought, did not detract from the powers and rights of the United Nations or the U.S. Government.

March 20.—The Council dealt with the report of the committee (Australia, Colombia, and Poland) on the Corfu Channel incidents, which offered no new evidence but said that mines of the type found there could have been obtained from dumps left in Yugoslavia by the Germans. The chairman (Colombian) with the full support of the Australian member, said that while there was no direct evidence that Albania had sown the mines, the Council would be fully justified in concluding that they had been sown with the knowledge of the Albanian Government, and probably with its connivance. If the majority of the Council could not share that conclusion, the case, Colombia thought, ought to go to the Hague Court.

The Polish member then retracted his accusation against Britain, but maintained that there was insufficient evidence to convict Albania. Out of respect for the British Navy he would not suggest that the Council simply dismiss the case, but proposed that it should direct the two parties to settle the dispute by one or other of the means provided under Art. 33 of the Charter.

Sir Alexander Cadogan closely questioned the Polish member on his "incredible fantasy" about the incidents. If the Albanians did not lay the mines, it was impossible to believe that they did not know about it. The motives were probably to be found in the tirades of unexplained hate against Britain to which the Albanian representative had treated the Council. He introduced a resolution asking the Council to find that the mines were laid by Albania or with her connivance, and recommending that the two Governments should settle the dispute on the basis of that finding.

March 21.—M. Kapo reiterated the Albanian case, accusing the British Navy of laying on Nov. 12 and 13 the mines which had blown up the destroyers 3 weeks previously. M. Gromyko argued that Britain's attitude was "political", and her draft resolution had "no meaning", and asserted that the British Government had failed to produce facts on which the Council would be justified in holding Albania responsible.

The Belgian and U.S. delegates considered that, while there was no direct evidence that Albania laid the mines, it was inconceivable that they could have been laid without her knowledge. The U.S. delegate introduced an amendment stating that the mines were laid with the knowledge of the Albanian Government, but omitting the words "or with its connivance".

PRESIDENT TRUMAN'S MESSAGE TO CONGRESS ON AID TO GREECE

PRESIDENT TRUMAN, in a speech to a joint session of Congress on March 12, said that the U.S.A. had received from Greece an urgent appeal for financial and economic aid, and all reports confirmed that such was imperative if Greece were to survive as a free nation. It was not a rich country, and since 1940 it had suffered invasion, four years of enemy occupation, and bitter internal strife. The economic situation was tragic, and as a result of these conditions a militant minority, exploiting human want and misery, was able to create political chaos, which, until now, had made economic recovery impossible. Greece was today without money to import goods essential to bare subsistence, and no progress could be made in solving the problems of reconstruction. The Greek Government needed, and had asked for, besides money, the help of experienced administrators, economists, and technicians, to create a stable and self-sustaining economy, and improve public administration, and it was important that the U.S. should supervise the use of any funds made available, to ensure that every dollar went to building an economy, in which a healthy democracy could flourish. Greece must have help to import the goods necessary to restore internal order and security, for "the very existence of the Greek State is threatened by the terrorist activities of several thousand armed men, led by Communists, who defy the Government's authority at a number of points, particularly along the northern boundaries". The Greek Government was unable to cope with the situation and needed supplies if it were to restore its authority. The help they had given to Greece in the past was not enough. Great Britain could not give further economic and financial aid, and the United Nations was not in a position to extend the kind of help required. "Greece must have assistance if she is to become a self-supporting and self-respecting democracy. The United States must supply that assistance."

It should not now be concluded that the U.S. condoned everything the Greek Government had done or would do, but that Government had been freely elected and represented 85 per cent of the Greek Parliament. It had "been operating in an atmosphere of chaos and extremism", and the U.S. Government would advise tolerance now, as they had done in the past.

The future of Turkey as an independent and economically sound State was equally important. Since the war, Turkey had sought

financial assistance from Great Britain and the U.S.A. to carry out the modernization necessary for the maintenance of her national integrity, essential for the preservation of order in the Middle East. Britain could not continue assistance, and the U.S.A. must provide help.

Mr. Truman said he was fully aware of the implications involved in giving help. One of the main aims of U.S. foreign policy "is the creation of conditions in which we and other nations will be able to work out a way of life free from coercion . . . We shall not realize our objective, however, unless we are willing to help free peoples to maintain their free institutions and their national integrity against movements that seek to impose upon them totalitarian régimes". Frequent protests had been made by the Government against coercion, in violation of the Yalta Agreement, in Poland, Rumania, and Bulgaria. At this moment in world history nearly every nation must choose between two ways of life, one based on the will of the majority, the other based on the will of the minority, forcibly imposed on the majority.

The *status quo* was not sacred, but they could not allow changes in it in violation of the U.N. Charter by such methods as coercion or by such subterfuges as political infiltration. In helping free nations to maintain their freedom the U.S.A. would be giving effect to the principles of the Charter.

"I believe it must be the policy of the U.S.A.," he said, "to support free peoples who are resisting attempted subjugation by armed minorities, or by outside pressure." If Greece came under the control of an armed minority the effect on Turkey would be serious, and disorder might easily spread throughout the Middle East. "It would be an unspeakable calamity if these countries . . . should lose that victory for which they sacrificed so much. Collapse of free institutions would be disastrous not only for them, but for the world." The U.S.A. must, therefore, not fail these countries in this fateful hour, but take "immediate and resolute action", and it was for this reason that he asked Congress to grant \$400 million for the period up to June 30, 1948 for the assistance of Greece and Turkey, and to give permission for American military and civil personnel to go to these countries. The course on which they were embarking was serious, but the alternative was much more serious. The U.S. contribution of \$341,000 million to winning the war was "an investment in world freedom". He now asked them to safeguard that investment by help to Greece and Turkey. Totalitarian régimes sprang from misery and want, and flourished when the hope of a better life had died. "We must keep that hope alive," for "if we falter in our leadership now, we may endanger the peace of the world, and we shall surely endanger the welfare of our own nation."

FORTHCOMING EVENTS

1947

- March 30 Elections for the Parliaments of German States in the British zone of Germany.
- April 7 Plenary Session of the International Parliamentary Union, Cairo.
- „ 7 Inter-American Conference on Social Security, Rio de Janeiro.
- „ 8 Preparatory Commission of the International Conference on Trade and Employment, Geneva.
- „ 9 Elections for the Constituent Assembly, Burma.
- „ 15 International Telecommunications Conference, Washington.
- „ 23 I.L.O. Industrial Committee on Coal Mining, Geneva.
- „ 25 General Election in Japan.
- May 6 Universal Postage Congress, Paris.